MARCH 9, 1964

THE UNIVERSITY
OF MICHIGAN

PERIODICAL
READING ROOM

SUDAN EMBARKS ON TEN YEAR PLAN

U.S. POULTRY SALES IN JAPANESE MARKET

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

MARCH 9, 1964

VOLUME II • NUMBER 10

Interior view of the Meringan cotton ginnery on the Gezira plains where most of Sudan's cotton is grown on irrigated land. (All Sudan photos are courtesy of the World Bank.)

Contents

3 Sudan Embarks on a Decade of Agricultural Progress

6 Prospects Favorable for Europe's Winter Wheat Crop

6 Western Europe's Potato Exports Lagging

6 Meat Prices Rise in the United Kingdom

7 U.S. Poultry Sales to Japan May Be Checked by Higher Duty

8-9 Market Development

- Glasgow and Cardiff Focus of Store Promotion Pushing U.S. Food Products in United Kingdom
- U.S. Rice Activities Expand With Opening of Swedish Post
- Competition for Big Japanese Market Stiffens as World Exporters Step Up Promotion Efforts

10 World Crops and Markets (commodity index on page 16)

Orville L. Freeman, Secretary of Agriculture

Roland R. Renne, Assistant Secretary for International Affairs

Raymond A. Ioanes, Administrator, Foreign Agricultural Service

Editor: Alice Fray Nelson **Associate Editor:** Ruth A. Oviatt

Advisory Board:

W A. Minor, Chairman; Wilhelm Anderson, Burton A. Baker, Douglas M. Crawford, John H. Dean, F. Leslie Erhardt, David L. Hume, Robert O. Link, Kenneth W. Olson, Donald M. Rubel.

This magazine is published as a public service, and its content may be reprinted freely.

Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $5.50, domestic, $8.00, foreign; single copies are 15 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20401.

Camels transport cotton to ginnery

Sudan Embarks on a Decade of Agricultural Progress

In the years ahead this vast African country may still need U.S. wheat but it could compete with the United States in world cotton and oilseed markets.

BY CLINE J. WARREN
Regional Analysis Division
Economic Research Service

The Republic of Sudan, which seldom competes with the other African countries for international headlines, may well set the pace for agricultural development on that continent within the next decade.

Already sound economic and agricultural progress has been made. In the last 10 years Sudan has expanded its agricultural production 50 percent. During the same period, agricultural output in all Africa registered only a 28-percent gain, and total farm production in Sudan's neighboring Northern African countries showed an increase of only 22 percent.

Goals of the 10-year plan

For the immediate years ahead Sudan will follow the directions laid down in its new Ten Year Plan of Economic and Social Development, 1960/61-1970/71. This plan is modest and its goals are realistic. Its purpose is not to usher in an era of prosperity and plenty immediately but to increase national output by approximately 66 percent over the next decade.

Specifically the aims of the Plan are: To broaden the basis of the economy by diversifying agricultural production and increasing the size of the industrial sector; to increase and vary exports and at the same time reduce imports of commodities that can be produced locally; to increase employment by over half a million jobs; and to improve education, health, and other social services.

Included in the Plan are several major projects that were financed and started before 1961. The largest project already underway is the Kashm el Girba project, which will irrigate about 500,000 acres of virgin land to sustain a new community of 50,000 people who will be made homeless by the lake from Egypt's Aswan High Dam. Well underway too is work on the Roseires Dam on the Blue Nile, now scheduled for completion in 1966. Besides providing hydroelectric power, this dam will supply water to irrigate 1 million additional acres of land.

Agricultural production targets to be achieved stipulate the following increases in output: Long-staple cotton, 60 percent; sesame, 46 percent; millet, 66 percent; and peanuts, 109 percent. These were the targets set in 1961 as the development program was being drawn up, and it is interesting to note that long-staple cotton production in 1963 was already estimated at 28 percent over the 95,000 metric tons reported for 1960.

The Plan, which includes over 260 projects, calls for an investment of $1.5 billion. Slightly over $287 million of this is required in the form of foreign loans. Aid has been enlisted from the International Bank for Reconstruction and Development, the United Kingdom, the United States, West Germany, the Soviet Union, Yugoslavia, and Kuwait; and additional investment or credit has been extended by several private companies abroad. Testifying to the esteem with which other countries regard Sudan's economic ability is the fact that approximately one-half of this foreign

Left, itinerant worker in the Gezira examines cotton she has just picked; and farmers weighing in their cotton at ginnery near Barakat. Above, in Khartoum North a new $3-million cotton mill is being built. Cotton is by far Sudan's biggest income earner.

financial assistance either had been made available or committed early in 1963.

Great agricultural potential

Sudan has not only demonstrated its capacity for economic growth, but it has the economic potential and capacity to sustain an even greater rate of progress in the future.

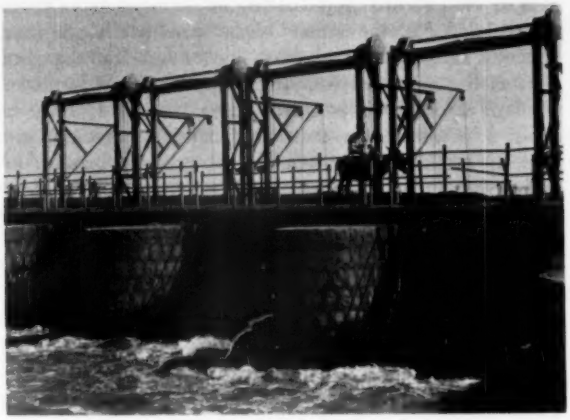
Although a thorough survey of land in Sudan is yet to be made, various estimates have placed the potentially productive land not now in use at over 100 million acres. Moreover, a substantial portion of this land could be put under cultivation within the immediate future. Projects are already underway to provide larger areas with transportation facilities and adequate water for human and livestock consumption—the two main deterrents to development in the past. Likewise, the Nile Waters Agreement of 1959 with Egypt established some degree of certainty as to the volume of water from the Nile that would be available for irrigation purposes.

As previously noted, Sudan is trying to promote a more balanced agricultural economy; yet in spite of these efforts, it seems certain that long-staple cotton will command increasing acreage in the expansion program. This no doubt will continue to be the case as long as cotton retains its pre-eminence as the most profitable crop. Production goals for peanuts, sesame, pulses, and millet are also likely to be surpassed within the next decade, and substantial gains are expected in livestock numbers.

The rate of progress toward expanding agricultural output will depend to a great extent upon a continuing adequate farm labor supply. In recent years it has been necessary to supplement the local labor force with migrant workers from neighboring countries during the cotton and grain planting and harvesting seasons. A greater use of seasonal migratory workers will probably be necessary in the future—in spite of efforts to better utilize the manpower of seminomadic tribesmen—because of the growing demand for labor by railroad construction and other industrial projects.

As increased agricultural production becomes a reality, it is not anticipated that Sudan will experience difficulties in disposing of its surplus food crops. Much of the food available for export in the past has been absorbed by neighboring Middle East countries; with growing populations, they should continue to provide a ready market for these exports in the future.

The outlook is not as bright for prospective cotton markets. If Sudan were to realize its anticipated expansion of Egyptian-type cotton, the impact on the world's extra long-staple cotton market would be considerable. Substantially larger quantities are already being made available for export, since Sudan's textile industry is still in its infancy. True, Sudan has been able to sell larger quantities of cotton in the Far East and Western Europe in recent years, but as



Above, Sudanese workers hauling earth for Managil Canal to the Gezira; and right, water flowing through the canal. Right top, work is moving ahead on the great Roseires Dam which when completed will supply water to irrigate an additional 1 million acres of cropland.

production increases in other major producing countries, it may encounter real trouble in disposing of its cotton.

How Sudan's growth could affect the U.S.

As Sudanese agriculture progresses, will this expansion affect the United States—and where?

The two principal areas are U.S. exports of wheat and wheat flour to Sudan, and U.S. imports of Sudanese hides and skins, gum arabic, and long-staple cotton. A third area involves competition with U.S. exports of upland cotton, oilseeds, coarse grains, and meat products.

Most important to U.S. agriculture is Sudan's growing need for bread grains. While that country has various programs under way to increase wheat production, this expansion is likely to fall short of requirements. Its total wheat and wheat flour imports, in terms of wheat equivalent, amounted to 105,400 metric tons in 1961, whereas 3 years earlier the figure was less than one-half this amount. With a rising standard of living and with the population expanding at a rate of over 3 percent annually, increased bread grain imports are forecast for the immediate future.

Total U.S. exports to Sudan in 1962 were valued at $3.7 million. Wheat and wheat flour—nearly all shipped under Title I of P.L. 480—accounted for 94 percent of this, and inedible tallow made up the largest share of the remainder.

Most of Sudan's dollar earnings came from trade with the United States. During the last 4 years Sudan's exports to the United States have averaged $4.7 million annually, of which slightly less than $1 million has been for agricultural commodities. Traditionally, gum arabic, a forest product, accounts for the greatest percentage of all U.S. purchases from Sudan.

Sudan has concentrated on the production of long-staple cotton, and this is competitive with U.S. cotton exports to the extent that it is substituted for short-staple varieties in Western Europe and the Far East. (An increase in the supply of long-staple cotton tends to depress the world price of all varieties of cotton.) On the other hand, the 10,000 to 15,000 metric tons of short-staple cotton produced annually are directly competitive with U.S. exports on the world market.

Sudan is also emerging as an important producer of oilseeds, most of which are exported. These exports compete in the importing countries with U.S. sales of soybeans, other oilseeds, and vegetable oils.

On an overall basis, Sudan's agricultural commodities are not seriously competitive with U.S. products at present. Nevertheless, the potential is there—and what is more important, forces have been set in motion to make this potential a reality.

The U.S. Department of Agriculture has just concluded an agreement with Sudan to ship 6.2 million bushels, or $13,240,000 worth, of wheat and flour to Sudan in 1964 and 1965 under Title I of P.L. 480. Around 65 percent of the money received in payment for the wheat and flour will be contributed to Sudan's economic development, and the remaining 35 percent, set aside for use by the United States. Signing of this agreement brought the total value of U.S. agreements with Sudan to $23.8 million.

Prospects Favorable for Europe's Winter Wheat Crop

Unlike last year, grain crops in both Western and Eastern Europe have come through the winter in good shape, and 1964's outlook is for normal or above-normal crops.

A good reserve of subsoil moisture has been reported through January. However, lack of precipitation during the past few weeks and less snow cover than usual are causing concern in some quarters because of possible later adverse effects, but this is not yet considered serious.

Comments on the 1964 winter wheat crop in six major Western European wheat producing countries follow.

In *France* the present outlook is for an extremely favorable or even record crop, barring any serious damage for the remainder of the winter. Night frosts have done little apparent damage, despite lack of snow cover, and the open weather has permitted widespread application of fertilizer. Acreage sown to winter wheat up to January 1, 1964, is about 8 percent more than total acreage harvested last year. If French farmers put in their average acreage of spring wheat, France's total wheat acreage would be considerably higher than a year ago, although it is not expected to exceed the large acreage of 1962.

The outlook is favorable in *West Germany*. Here, too, acreage sown to winter grain is larger than 1963's harvested one. There has been little winter kill and the condition of the standing crop is generally better than a year ago.

Italy's wheat area is expected to be about 10 percent larger than 1963's small acreage. Good weather has favored growth and development of fall-sown grains.

The outlook for *Spain* is generally poorer than for the rest of Europe. Heavy rains hampered seeding operations throughout the fall and early winter. The crop was in by the end of December, but germination appears to have been delayed by dry weather since then.

The area sown to winter wheat in the *United Kingdom* is larger than a year ago. The crop got a good start, and was in a strong, healthy condition by the end of January. The winter has been mild, but offsetting this has been below-normal rainfall. The outlook for the U.K.'s spring-sown crop is also good, unlike last year's poor conditions.

Preliminary estimates indicate that *Greece's* 1964 wheat acreage may be one of the highest on record—about a fourth larger than in 1963. Although it is too early for reliable production estimates, officials expect a crop of record or near-record size.

Prospects are for another good year in Eastern Europe. The Danube Basin countries—*Hungary, Rumania, Yugoslavia,* and *Bulgaria*—may repeat the above-average production of 1963, if conditions remain favorable. The northern countries—*Poland, East Germany,* and *Czechoslovakia*—have significantly better prospects this year.

The *Soviet Union* may harvest a near-normal grain crop, in contrast to 1963's severely curtailed outturn. A larger acreage and no reports of heavy winter damage this year have made this outlook possible. The winter wheat situation varies according to the different producing zones—prospects are much better than last year in the North Caucasus, but less favorable in the Ukraine. In the New Lands, soil moisture is much improved in the spring wheat area where the crop failure of 1963 was worst. The final outcome of that crop will, as usual, depend on adequate rainfall throughout the growing season.

On the basis of the present outlook for Europe's winter wheat, a reduction in wheat import requirements is probable for the 1964-65 marketing year.

Western Europe's Potato Exports Lagging

Supplies of potatoes in all West European countries are plentiful, but demand is weak and prices, low. Thus, usual exporting countries are behind their average schedule of exports this season.

The exportable surplus of potatoes in the Netherlands is about 500,000 metric tons. At the end of December 1963, only 99,000 tons had been exported—50 percent less than on the same date in 1962. West Germany has about 1 million tons more than last year, and the Federal Government is paying a subsidy for potatoes diverted to livestock feed. Production in France was about 2.5 million tons above last year, and there are large supplies available for export in both Austria and Norway, but they report little prospect of finding an outside market. Belgium and Denmark report an adequate supply for domestic needs with no surplus remaining for export.

The U.K. supply of potatoes appears to be about in balance. Imports, if needed, will probably be new-crop potatoes taken late in the season from southern Europe and northern Africa.

There are reports that talks have been started by Common Market Members with the EEC Commission to improve the marketing of potatoes. The first step may be a diversion program for potatoes used to make starch.

Last fall, France, Belgium, the Netherlands, and West Germany authorized a payment of about $.50 per 100 pounds for potatoes exported to third countries. Since most countries were well supplied, this subsidy had little effect.

Meat Prices Rise in the United Kingdom

Decreased imports of meat, principally from Argentina, and low cold storage stocks are raising U.K. prices.

U.K. traders claim that the meat shortage has been made worse by the export of home-produced beef and pork to continental countries. Another factor is the uncertainty caused by the inconclusive outcome of the discussions recently held with beef exporting countries regarding their shipments to Britain. The U.K. Government has not reached agreement with Argentina, Australia, New Zealand, Ireland, Uruguay, Yugoslavia, and possibly some other countries on beef import quotas for the current year.

Argentine meat packing plants are working at a fraction of their capacity because of a sharp decrease in receipts of cattle at markets. The sharp drop-off in slaughter is probably due to the desire of cattlemen to increase herds and to the good summer grazing conditions.

U.K. imports of beef from Argentina in December 1963 were down 23 percent from a year earlier; takings from all sources were off 26 percent.

U.S. Poultry Sales to Japan May Be Checked by Higher Duty

In the Orient, where years are given an animal designation, 1963 was the "year of the rabbit." In Japan, however, it developed into the "year of the chicken," for according to that country's customs figures, 7.3 million pounds of U.S. poultry moved into Japan in 1963 compared to 626,000 pounds for the previous year.

This remarkable rise in U.S. poultry imports caused a mixed reaction. Japanese importers, wholesalers, and retailers were very happy with this increase in a profitable business. The Japanese producer was less happy; he was concerned about competition to domestic production, and said so, with the result that a proposal for higher poultry tariff is now before the Japanese Diet.

Imports of U.S. poultry for January through October of last year amounted to 1.3 million pounds. By the end of November this figure had jumped to 3.7 million pounds, reflecting the orders placed as a result of the poultry—and poultry products—show held at the U.S. Trade Center in Tokyo, Sept. 9-20. But another surprise was in store: by the end of December U.S. poultry imports had risen sharply again, to make the total 7.3 million pounds for the year.

Domestic marketing not upset

This increase, though substantial, did not disrupt the marketing of domestic poultry. Japanese producer prices held at, or near, record highs, as did wholesale and retail poultry prices. Furthermore, at the end of the holiday marketing season, stocks of both domestic and imported poultry had been exhausted.

U.S. poultry did not move through the traditional poultry shops. Increasing amounts were sold through channels previously established, such as large department stores and supermarkets, but a new outlet had been added—the red meat shops. For the first time meat shops that ordinarily handle only pork and beef started selling U.S. chickens.

Another new development was the importing of U.S. poultry by a Tokyo packing plant. This plant thaws the frozen birds, tray-packs them, and moves the product through the food department of a large department store that began selling U.S. poultry for the first time last year.

Because of these larger imports in 1963, Japan's poultry marketing and distribution chain handled more poultry and made more money—and the consumer had more poultry made available to him. And while the consumer did not benefit by lower prices, he apparently was happy to pay the established going price in order to enjoy the privilege of having more chicken meat to eat.

Concern about competition

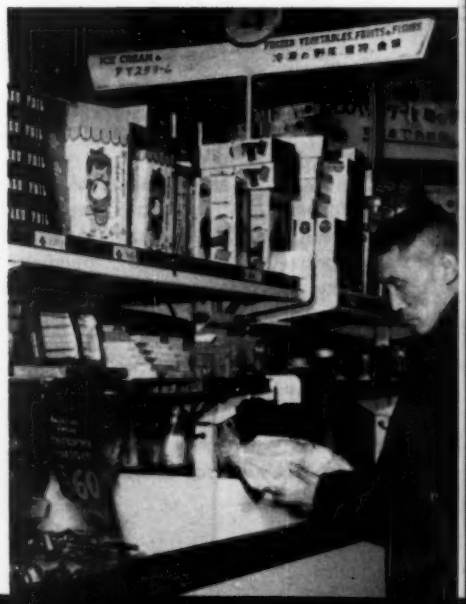
The Japanese poultry producer reacted to the market situation with concern, and expressed the fear that increased imports would retard the growth of the rapidly expanding domestic industry. Japan, of course, has not yet developed a true poultry-meat industry. What is marketed as "broilers" are still mainly the cockerels from dual-purpose birds, or a layer-meat cross made by large laying-flock operators two or three times a year to produce a bird to market at the peak periods of demand. A meat-type industry based on imported U.S. broiler breeding stock has started, but it still has a long way to go.

Nevertheless, poultry producers, with apparent support from parts of the domestic feed-compounding industry, began as soon as poultry imports were on the rise pressuring for an increase in the duty on imported poultry. Initially the demands were for an increase of 30-40 percent on the basis that such an increase would be "comparable to that applied by the European Economic Community to U.S. poultry." In answer to this demand and shortly after U.S. poultry imports had reached 3.7 million pounds, the Japanese Tariff Deliberation Council recommended that the duty on fresh and frozen poultry be increased to 20 percent from the present 10-percent level. Under Japanese procedure, this recommended increase by the Tariff Council must obtain Cabinet approval and then be submitted to the Diet for action. If the Diet action is favorable the increase would become effective April 1 of this year.

This increase—which has been protested by U.S. Embassy officials at the highest levels, since the domestic market has not been disrupted by imports—will undoubted-

(Continued on Page 16)

Right, customer in Japanese supermarket examines frozen U.S. chicken. Below, in food section of Tokyo department store U.S. poultry is tray-packed for sale.



Glasgow and Cardiff Focus of Store Promotion Pushing U.S. Food Products in United Kingdom

Inspecting U.S. foods at recent Cardiff Exhibition are (l-r): D. J. Mason-Barney of John Morrell Co., U.S. meat packer; M. R. Sheriff, London Trade Center; R. N. Anderson, U.S. Agricultural Attaché, London; and E. M. G. Topping of Morrell.

Promotion campaigns currently underway in Glasgow, Scotland, and Cardiff, Wales, constitute the most intensive effort yet made by U.S. agriculture in the United Kingdom to promote American foods with the country's retailers, wholesalers, and importers.

The Cardiff campaign began with a 3-day exhibit of American food February 24—and is now in full swing. The Glasgow promotion started early this month, will reach a high point at the Scotland Food Fair, April 7-18, and end in May.

Glasgow and Cardiff were selected as sites for 1964 store promotions in the United Kingdom after an extensive survey of six British cities conducted last fall. These two presented the best immediate potential for sales expansion because of high population density and influence on surrounding areas. In addition, wholesalers, importers, and other contacts indicated a desire to participate in a U.S.-sponsored food campaign.

The twin promotions follow much the same pattern, beginning with a special reception for about 100 leading importers of American foods.

In both Cardiff and Glasgow, first big event is the 3-day USDA Exhibition of American foods presented for selected wholesalers, retailers, and food caterers.

Participating in these Exhibitions are six U.S. commodity groups whose overseas representatives will supervise individual exhibits and demonstrations, give price quotations, and answer general trade queries. These are: the California Prune Advisory Board; Lard Information Bureau; U.S. Rice Export Development Association, Inc.; the Soybean Council of America; the California Raisin Bureau; and the Cranberry Institute.

U.S. canned fruit and poultry will also be shown. A number of British wholesalers and importers will display American packaged foods which can be purchased in Britain, as well as many lines not formerly available.

Following these Exhibitions, teams in each city will canvass retail outlets, and accept orders for specific lines and quantities to be passed on to the appropriate wholesalers, where possible. Team members will also distribute banners, posters, recipe leaflets, and other merchandising aids to participating retailers. Plans call for 100 percent coverage of each city's food outlets.

Next are in-store promotions — called U.S. Food Fortnights—which will run 2 weeks in each city.

Accompanying these in-store promotions and Food Exhibitions will be well-nigh saturation publicity through use of advertising and editorial space. Full-page advertisements and special supplements will be carried in local newspapers, plus other features using the theme "Enjoy American Foods." British importers of U.S. foods, as well as retailers, may make inserts in these ads. U.S. commodity groups will place ads in food magazines.

A feature of the Cardiff promotion will be a replica of the famous Wells Fargo Coach which with driver and guard dressed in Western garb will make special deliveries from wholesalers to retailers for a week during Cardiff's Food Fortnight. The coach will also carry a token gift of U.S. foods to the Lord Mayor of Cardiff for donation in larger quantities to charities chosen by the Lord Mayor. This event is expected to draw wide publicity from press and TV.

U.S. Rice Activities Expand With Opening of Swedish Post

U.S. Rice Export Development Association, Inc., has just opened a new headquarters in Stockholm, Sweden, its sixth in Europe.

With the selection of a country director and office space in the heart of Stockholm, the U.S. rice group will move ahead with a comprehensive program to boost sales of U.S. rice in Sweden. Scheduled activities include press, radio, and TV servicing; rice cookery demonstrations; strategic placing of point-of-sales materials; and participation in fairs and exhibitions. The cooperation of local rice importers will be sought to help finance advertising and public information programs.

The Stockholm office, in cooperation with FAS, will also handle rice promotion in Finland.

Competition for Big Japanese Market Stiffens As World Exporters Step Up Promotion Efforts

U.S. exporters who promote in Japan are becoming increasingly aware of growing competition in this $1.8 billion market for agricultural products.

Besides the United States, five nations today carry on market development in Japan. Australia and New Zealand—chief contenders with the United States—are spending more than previously on promotion in 1964, while the Netherlands, Canada, and Denmark are putting fresh emphasis on a number of commodities that directly compete with U.S. products.

The promotion activities carried out by the five countries in 1963 provide a clue to what 1964 holds in store.

Australian promotion up

Australia—with its 1964 promotion budget of $157,000 about 40 percent over the previous year's—has been stressing wheat and livestock products, followed by processed foods, dairy products, and wine.

Through its Tokyo office, the Australian Wheat Board provides technical assistance to Japan's baking industry and presents bread demonstrations at trade fairs and wheat industry meetings. In 1963, for example, a key project brought an Australian baking instructor to Japan to advise bakers on getting best results with Australian flour. A Wheat Board "Gazette" is distributed to 300 leading Japanese importers and millers each month.

The Australian Meat Board last year carried out an extensive advertising campaign in Japan for mutton, and conducted a market survey for fresh meat. As a result, a team of Australians will establish import agencies sometime this year.

Promotion highlights for other Australian commodities included: the visit to Japan of a five-man industry food processing group, followed by a number of trips by private concerns; promotion of dairy products through wide-spread consumer advertising and participation in cheese shows; and wine tasting demonstrations by the Australian Wine Board before Japanese importers, hotel and bar association members. In addition, 12 half-hour films about Australian agriculture were shown over Japanese television, and the Australian Government paid for a special section on Australian agriculture in a leading Japanese newspaper, and an additional 10,000 copies were sent to a special mailing list.

New Zealand trade boards active

Like Australia, New Zealand conducts market development mainly through production boards assisted by private firms, and also promotes many of the same commodities—dairy, meats, and livestock in 1963.

The Dairy Production Board set up a permanent headquarters in Japan. A New Zealand dairy team surveyed requirements of the Japanese dairy market in 1963, and Japanese attended New Zealand's international dairy conference. As in past years, New Zealand participated in the International Cheese Show.

The New Zealand Meat Board, which concentrated on mutton promotion in 1963, brought a well-known Japanese TV personality to New Zealand, where she collected recipes of mutton dishes for distribution throughout Japan. A gift to the Tokyo Agriculture University of two prize New Zealand sheep generated wide publicity for the country's pure-bred livestock.

Backstopping promotion of specific commodities was continuation of New Zealand's policy of sending two teams to Japan each year to determine ways New Zealand can best meet Japan's import needs.

Dutch emphasis on technical aid

Theme of the Netherlands' market development efforts in Japan has been providing technical assistance to industry and trade groups, with primary emphasis on dairy and seeds. Last year Dutch "Gouda" cheese was featured in a large exhibit at the Tokyo and Osaka Trade Fairs. Besides trade fair participation, the Dutch in 1964 are planning a technical assistance program in Japan aimed at introducing modern processing techniques for dairy products.

Netherlands seed promotion has consisted of administering testing programs for Dutch grass and sugar beet seeds at Japanese Experiment Stations.

Because of foot-and-mouth disease in the Netherlands, there have been no activities for livestock and meat promotion, but this phase will be resumed in 1965, with emphasis on hogs and cattle. Canned foods also figure in future market development plans.

Canada has had to curtail most promotion for the past 2 years because of the government's austerity program, although the country plans to resume active market development by 1965. Recent efforts have been toward encouraging trade missions to Japan to assess sales prospects for individual products—principally wheat, livestock, tobacco, poultry, dairy and seeds.

Canada-Japan trade teams

The Canadian Wheat Board in 1963 continued to sponsor wheat teams to and from Japan, also presented exhibits of bread made from Canadian wheat. The visit of five Japanese Government officials to Canada resulted in preliminary arrangements for sale of 800,000 metric tons of wheat to be delivered by July 1964.

Laying the groundwork for future sales of hogs and cattle was a 12-man Japanese team which visited Canada to inspect the livestock industry. To acquaint Japan with Canadian flue-cured tobacco, the Ontario Flue-cured Tobacco Association sponsored a trip to Canada by members of the Japanese Tobacco Monopoly.

At the same time, private trade groups from Canada went to Japan to sell poultry and poultry breeding stock and dairy products.

In 1964, market development trips for oilseeds and other seeds will be added to these promotion activities.

The Danish Government is making progress in developing an organized program to promote agricultural products in Japan. In 1963 survey trips to Japan were made by representatives of the Danish broiler industry. Also, some 25 Japanese visited Denmark to study its agriculture. Other activities included an exhibit of Danish cheese, canned meats, and sausages at the Tokyo International Trade Fair; and operation of a pilot farm in Japan aimed at demonstrating the Danish system of agriculture.

Reports on 1963 promotion activities of U.S. competitors in other important world markets will be carried in succeeding issues.

U.S. Burley Exports Up 10.9 Percent

U.S. exports of burley tobacco totaled a record 44.5 million pounds (export weight) in 1963—up 10.9 percent from those of 1962. The value of 1963 exports, at $35.4 million, also was a record.

Major markets for burley tobacco last year included West Germany, Italy, Portugal, Mexico, Egypt, and the Netherlands. Exports to all of these countries, with the exception of West Germany, were larger than in 1962. A big drop was recorded in exports to Sweden.

Common Market countries purchased 18.7 million pounds of burley in 1963, compared with 17.4 million in 1962.

BURLEY TOBACCO: U.S. EXPORTS, BY COUNTRY OF DESTINATION, 1962 AND 1963
(Export weight)

Destination	1962	1963 [1]	Percent change 1963 from 1962
	1,000 pounds	*1,000 pounds*	*Percent*
Germany, West	10,663	8,071	— 24.3
Italy	3,528	5,891	+ 67.0
Portugal	2,027	4,441	+119.1
Mexico	3,381	3,588	+ 6.1
Egypt	2,162	3,309	+ 53.1
Netherlands	1,641	3,113	+ 89.7
Finland	1,820	1,762	— 3.2
Hong Kong	764	1,580	+106.8
Denmark	1,656	1,354	— 18.2
Sweden	5,066	1,269	— 75.0
Austria	1,006	1,061	+ 5.5
Poland	-----	1,020	----
Belgium-Luxembourg	1,215	966	— 20.5
Switzerland	453	740	+ 63.4
Australia	289	712	+146.4
Norway	810	685	— 15.4
Thailand	430	656	+ 52.6
France	387	613	+ 58.4
Congo, Republic of	166	592	+256.6
Others	2,657	3,074	+ 15.7
Total	40,121	44,497	+ 10.9

[1] Preliminary.
Bureau of the Census.

Burma's Cigarette Output May Rise in 1964

Following 3 straight fiscal years of decline, cigarette output in Burma is expected to turn upward. Production in fiscal year 1964, ending September 30, is forecast at 1,100 million pieces.

From the high of 1,360 million pieces produced in fiscal 1960, Burma's cigarette output had dropped to 1,209 million in 1961, 1,108 million in 1962, and 1,019 million (estimated) in 1963.

Italian Tobacco Manufactures Drop Slightly

Output of tobacco products by the Italian Tobacco Monopoly during the first 9 months of 1963 totaled 99.7 million pounds, or down slightly from the 100.9 million produced during the same period in 1962.

Cigarette production totaled 90.4 million pounds, compared with 90.7 million in January-September 1962. Production of all other products, except cigarillos and snuff, was also down.

Guatemala Expects Larger 1964 Tobacco Harvest

The 1964 tobacco harvest in Guatemala is forecast at 4 million pounds, compared with 3 million during the previous year. Planted acreage was placed at 4,740 acres, compared with 4,190 in 1963 and 5,640 in 1962.

Flue-cured production is estimated at 1.1 million pounds from 865 acres, compared with the 1963 harvest of 800,000 from 810 acres. Burley production is expected to rise 12 percent to 1.2 million pounds—from 1.1 million. Production of Copan (dark air-cured) is forecast at 1.6 million pounds, compared with 1.1 million in 1963 and 1.8 million in 1962.

Grower prices for flue-cured and burley tobaccos range from the equivalent of 18 to 58 U.S. cents per pound with averages between 35 and 40 cents. The price for Copan ranges from 16 to 20 cents per pound.

India Expects Smaller 1964 Tobacco Harvest

Preliminary forecasts place the 1964 tobacco harvest in India at 783 million pounds—down 3.2 percent from the last year's record 809 million. However, planted acreage rose to 1,150,000 acres from 1,062,000, with most of the increase in Natu Desi sun-cured tobacco.

The 1964 harvest of Virginia-type tobacco grown from flue-cured seed is forecast at about 165 million pounds from 241,000 acres, compared with 177 million in 1963 from 253,000 acres. Adverse weather—drought in Andhra Pradesh and excessive rains in Madras—reportedly caused the decline. The quality of the leaf this season is also reportedly lower than that of the two preceding seasons.

Egyptian Cotton Crop Somewhat Down

Egypt's 1963-64 cotton crop, according to the third official estimate, is placed at 2,021,000 bales (480 pounds net). This is a 4-percent decrease from the near-record 1962-63 final crop estimate of 2,101,000 bales.

Output of extra-long-staple cotton (1⅜ in. and longer) is estimated at 943,000 bales, down 11 percent. Production of medium-long-staple cotton (1-9/32 in. to 1-⅜ in.) is off slightly, while that of medium-staple is up 9 percent. The total area devoted to cotton this season is estimated at 1,689,000 acres, compared with 1,720,000 in 1962-63 and an annual average of 1,906,000 in the past 5 seasons.

The Egyptian Government recently established an acreage allocation of 1,749,000 acres for the 1964-65 season, equivalent to one-third of the total cultivated area, the maximum permitted acreage for cotton. This is a 57,000-acre increase over the 1963-64 area. Measures to promote planting of the full allotted acreage for each variety have been announced. Planting of Karnak, for years Egypt's leading extra-long-staple variety, is to be discontinued in favor of several newly developed varieties.

Exportable supplies of cotton from the 1963-64 crop are virtually exhausted, and the Egyptian Cotton Commission has directed exporters to relinquish all cotton not required to fill immediate commitments. The Commission will then allocate cotton for domestic mill requirements, export com-

mitments, and later shipment contracts.

The Alexandria market remains at a standstill because of the continuing ban on exports of all varieties except specified grades of Menoufi, Giza 47, and Dendera, and the increased tightening of exportable supplies.

COTTON: EGYPT, PRODUCTION BY STAPLE LENGTH AND VARIETY, 1962-63 AND 1963-64

Staple length and principal varieties	1962-63 [1]	1963-64 [2]	Percent change
	1,000 bales [3]	*1,000 bales* [3]	*Percent*
Extra-long-staple, over 1⅛ inches: Karnak, Menoufi, and Giza 45	1,056	943	—11
Medium-long-staple, 1$^{3}/_{32}$ inches to 1⅛ inches: Giza 47, 67, and Dendera	472	462	— 2
Medium-staple, 1¼ inches and below: Ashmouni	539	587	+ 9
Subtotal	2,067	1,992	— 4
Scarto (unclassified cotton)	34	29	—15
Total	2,101	2,021	— 4

[1] Final estimate. [2] Third estimate. [3] Bales of 480 pounds net. Government of Egypt.

Brazilian Cotton Production Below Last Year's

The 1963-64 cotton crop in Brazil is now estimated at 2,200,000 bales (480 lb. net). This is 6 percent below last season's output of 2,340,000 bales but well above average production of 1,983,000 for the past 5 seasons.

The smaller crop this season is attributed to severe drought and insect infestation in South Brazil. Total area devoted to cotton in 1963-64 rose to a record 5,750,000 acres, compared with 5,500,00 in 1962-63. South Brazil's crop, soon to be harvested, is estimated at about 1,380,000 bales, compared with about 1,500,000 last year. Production this season in Northeast Brazil is placed at about 920,000 bales, against 825,000 a year earlier.

Exports of cotton from Brazil totaled 1,145,000 bales in 1962-63 (August-July), compared with 847,000 in the 1961-62 season. Quantities shipped to major destinations in the full 1962-63 crop year, with comparable 1961-62 figures in parentheses, were West Germany 202,000 bales (189,000), Japan 188,000 (90,000), Netherlands 150,000 (66,000), Hong Kong 116,000 (88,000), USSR 110,000 (98,000), the United Kingdom 108,000 (55,000), France 75,000 (88,000), Belgium and Luxembourg 48,000 (54,000), South Africa 33,000 (16,000), and Italy 26,000 (27,000).

Cotton consumption this season is expected to continue the high level of recent years, with domestic offtake likely to exceed 1,300,000 bales, compared with 1,250,000 in 1962-63. Stocks on hand at the end of 1963-64 appear likely to be somewhat smaller than the beginning carryover of 877,000 bales.

Brazil May Import Rice in 1964

Brazil may import up to 200,000 metric tons of milled rice in 1964, owing to a greatly reduced rice crop (*Foreign Agriculture*, Feb. 17, 1964).

In years of good crops, Brazil exports up to 150,000 metric tons of milled rice. But this year, exports of rice, as well as corn and beans were prohibited in late January. The government is expected to purchase all the new rice crop to prevent speculation.

Brazil neither exported nor imported rice last year. In early 1963, a 3-year agreement was negotiated with the USSR in which Brazil was to ship 50,000 tons of rice annually to that country in exchange for wheat. Brazil received no wheat from the USSR in the last quarter of 1963 and the USSR, no rice.

Canadian Wheat Producers Receive Final Payments

The Canadian Wheat Board on February 17 started issuing final payments to western wheat producers for deliveries to the 1962-63 pool. Last year payments were issued beginning March 28. However, the increased exports this year and substantial contracts with Communist China and the USSR allowed the Board to close the 1962-63 wheat pool earlier than February 28, the closing date in the past 2 years.

The payments averaged the equivalent of 37 cents per bushel for wheat other than durum and 60 cents for durum. Last year's final payments averaged 40 and 61 cents per bushel. Total returns to producers averaged approximately $1.64 per bushel this year compared to $1.67 in 1961-62.

Producers in 1962-63 delivered 470 million bushels of wheat, including 44 million of durum. Because of the small 1961 crop, deliveries in 1961-62, including 11 million bushels of durum, were only 299 million bushels. Deliveries during the 5-year period 1956-57 through 1960-61, however, averaged 376 million bushels. Therefore, payments by the Wheat Board to wheat producers will be approximately $770.8 million for 1962-63 deliveries—$271.5 million, or 54 percent, above the 1961-62 level and $246.0 million, or 47 percent, above the 5-year average 1956-57 through 1960-61.

Japan Releases Pulse Fund Allocation

The Japanese Ministry of International Trade and Industry released a fund allocation for imports of pulses on a global basis. It totals $5,750,000 for an estimated c.i.f. price of $115 per metric ton. Foreign exchange will be allocated to individual firms that make applications.

Reportedly, 2,000 metric tons of South African cowpeas have been purchased for early shipment under this allocation. About $500,000 of the allocation will be used to buy pulses from Communist China under a trade agreement.

French Increase Butter Exports

France's exports of butter during the first 11 months of 1963 totaled 81 million pounds, an increase of 39 percent over the quantity shipped during the same months of 1962. Trade with Italy—largest single market in this period—rose from 1 million pounds to 23 million. Sales to the United Kingdom were up from 3 million pounds to 12 million, partly as a result of the increase in late 1963 of France's butter quota in the United Kingdom. Appreciable quantities were sold to West Germany (15 million pounds) and Algeria (13 million) although sales to these two countries were slightly less than in the comparable 1962 period.

Imports of butter, almost entirely from Denmark and the Netherlands, totaled 7 million pounds; in the 1962 period, they were 1 million pounds.

U.K. Increases Some Butter Import Quotas

The British Government recently announced an increase in the butter import quotas of four countries for the year

ending March 31, 1964. The extra allocations, to be delivered within the next few weeks, are as follows: Finland, 6.7 million pounds; Hungary, 1.1 million pounds; Ireland, 896,000; and Uruguay, 448,000.

These additional imports have been authorized because it is anticipated that some other supplying countries may not be able to make delivery on their quotas during the current marketing year, owing to reduced production.

U.S. Fish Oil Exports Doubled in 1963

U.S. exports of fish oil (including fish liver oils) in 1963 totaled 131,171 short tons, more than twice the volume exported in 1962.

Exports to the United Kingdom, Sweden, and Western Germany accounted for 99,862 tons, or 76 percent, of the total. Those to the Netherlands and Norway comprised an additional 19 percent.

U.S. EXPORTS OF FISH OIL (INCLUDING LIVER) BY COUNTRY OF DESTINATION

Country of destination	Average 1955-59	1961	1962 [1]	1963 [1]
North America:	*Tons*	*Tons*	*Tons*	*Tons*
Canada	4,513	8,467	5,278	4,088
Cuba	97	—	—	—
Mexico	112	313	408	316
Other	43	633	4	6
Total	4,765	9,443	5,690	4,410
South America	40	18	20	17
Europe:				
Bel.-Lux.	1,406	677	1,664	17
Denmark	288	—	—	—
France	14	30	106	61
Germany, West	20,450	7,795	8,460	19,728
Italy	94	3	11	7
Netherlands	22,608	12,794	17,027	12,924
Norway	6,302	15,639	5,010	11,872
Sweden	6,817	10,321	6,723	36,780
Switzerland	473	—	—	—
United Kingdom	532	4,454	16,487	43,354
Other	5	7	7	[2]1,674
Total	58,989	51,720	55,495	126,417
Asia:				
Philippines	3	—	3	6
Other	25	18	268	233
Total	28	18	271	239
Africa	85	35	48	51
Oceania	1	9	1	37
Grand total	63,908	61,243	61,525	131,171

[1] Preliminary. [2] Includes 1,102 tons to Czechoslovakia and 533 tons to Portugal. Department of Commerce.

U.S. Copra and Coconut Oil Imports Decline

U.S. imports of copra and coconut oil in 1963 totaled 351,930 short tons, oil equivalent, 3 percent less than last year's 361,604 tons. The Philippine Republic was virtually the only source of supply.

Since 1959, U.S. imports have coincided with sales from the strategic stockpile of coconut oil, which amounted to 33,516 tons in 1960, 29,663 in 1961, 23,556 in 1962, and 44,665 in 1963. The remaining balance—1,539 tons of oil—was sold during January 1964.

Coconut oil imports increased nearly 40 percent in 1963, while those of copra, as such, decreased 29 percent. Coconut oil purchases from the Philippines exceeded the quota of 160,000 long tons (179,200 short tons) by 6,023; imports in excess of the quota were subject to a duty of 1 cent per pound.

U.S. IMPORTS OF COPRA AND COCONUT OIL BY COUNTRY OF ORIGIN, 1961-63

Origin	Average 1955-59	1961	1962 [1]	1963 [1]
COPRA	*Tons*	*Tons*	*Tons*	*Tons*
Philippines	325,863	372,854	353,108	260,480
Trust Territory of the Pacific Islands	3,126	10,321	4,287	—
Others	112	—	—	—
Total	329,101	383,175	357,395	260,480
COCONUT OIL				
Canada	67	—	49	—
Netherlands	3,401	—	—	—
Ceylon	564	3	—	5
Philippines	89,463	81,392	132,814	185,218
Others	897	17	8	—
Total	94,392	81,412	132,871	185,223

[1] Preliminary.
Department of Commerce.

The relatively small U.S. exports of crude and refined coconut oil increased from a total of 727 tons in 1962 to a total of 2,743 in 1963. The principal market for crude oil was the Netherlands; for refined oil, Canada and Ecuador.

U.S. EXPORTS OF COCONUT OIL, CRUDE AND REFINED BY COUNTRY OF DESTINATION, 1961-63

Country of destination	Average 1955-59	1961	1962 [1]	1963 [1]
CRUDE	*Tons*	*Tons*	*Tons*	*Tons*
Canada	153	58	61	861
Cuba	1,900	—	—	—
Guatemala	57	—	—	—
Mexico	—	—	2	2
Costa Rica	18	—	—	2
Nicaragua	41	25	10	15
Panama	13	—	—	—
Colombia	303	244	171	55
Ecuador	499	62	58	42
Venezuela	—	112	—	—
Others	38	356	3	[2]1,576
Total	3,022	857	305	2,553
REFINED				
Canada	156	411	121	73
Cuba	150	—	—	—
Guatemala	16	13	—	5
Mexico	1	6	5	—
Costa Rica	47	16	13	7
Nicaragua	9	3	6	6
Panama	8	—	—	—
Colombia	75	—	—	—
Ecuador	321	168	168	43
Venezuela	80	123	2	7
Others	494	105	107	49
Total	1,357	845	422	190

[1] Preliminary. [2] Includes 1,574 tons to the Netherlands.
Department of Commerce.

West Germany's Fats and Oils Imports Increase

Imports of fats and oils, as such, into West Germany in calendar 1963 increased about 66,000 metric tons—up 12 percent—from 1962. In the same period, imports of oil-bearing materials declined by about 14,000 tons, or less than 1 percent.

The rise in imports of fats and oils largely reflects increased takings of cottonseed oil from the United States and Argentina; peanut oil from Argentina; soybean oil from Denmark, Israel, and the United States; and palm oil from Indonesia, Nigeria, and the Congo. Slight declines occurred in imports of butter, largely from New Zealand, and lard from West Europe, as a result of gains in domestic outturn. Imports of linseed oil from Argentina also declined significantly, as imports of flaxseed increased.

There was little change in the overall total imports of oil-bearing materials into West Germany in 1963 from the previous year; however, there were significant changes within the total. Imports of peanuts from Nigeria dropped drastically, reflecting some shift to soybean and sunflower oils as well as increased takings of peanuts as oil. Increased imports of rapeseed, largely from Sweden, Denmark, Poland and Canada, may have resulted from the short domestic outturn last year. Copra imports from the Philippines and palm kernels from Angola and Indonesia were above those in 1962. However, they remained below the 1960 level.

WEST GERMAN IMPORTS OF SELECTED FATS, OILS, AND OIL-BEARING MATERIALS

Item	1960	1961	1962	1963
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Cottonseed	——	956	23,296	26,706
Peanuts [1]	56,555	80,909	108,543	27,000
Soybeans	998,135	906,838	1,067,614	1,086,186
Sunflowerseed	22,354	22,941	20,634	30,988
Rapeseed	1,688	24,891	31,197	45,337
Copra	249,804	269,230	232,646	241,099
Palm kernels	155,010	127,782	124,091	129,425
Flaxseed	8,630	10,112	11,576	20,732
Castorbeans	28,310	22,480	26,678	24,432
Total	1,520,486	1,466,139	1,646,275	1,631,905
Cottonseed oil	103,193	73,625	44,582	63,486
Peanut oil	27,581	18,619	28,513	47,326
Soybean oil	36,401	11,632	1,593	18,584
Sunflowerseed oil	21,338	41,022	44,377	51,394
Coconut oil	40,104	36,687	33,410	41,929
Palm kernel oil	13,710	11,166	16,326	16,608
Palm oil	72,620	77,739	78,988	92,587
Linseed oil	93,354	81,664	80,405	72,502
Butter (82%)	20,112	23,019	30,166	20,234
Lard	24,130	23,007	22,326	16,787
Tallow	44,439	64,745	63,585	61,317
Whale and sperm oil	79,610	66,905	59,044	64,622
Fish oil [2]	65,098	63,379	64,816	66,673
Total	641,690	593,209	568,131	634,049

[1] Shelled basis. [2] Excludes liver oil.
Compiled from trade sources.

Argentine Flaxseed Output and Export Tax

The second official estimate places Argentina's 1963-64 flaxseed crop at 28.3 million bushels compared with the first estimate of 29.5 million and the 1962-63 outturn of 33.0 million.

Since January 1, 1964, Argentine exports of flaxseed have been subject to a variable export tax of 10 to 40 percent (*Foreign Agriculture*, September 16, 1963). Although the exact rate of the tax was supposed to have been announced 45 days before it came into force, it was not released until January 2. The rate was established at 23.84 percent based on the f.o.b. price of 17,037.50 pesos per metric ton (equivalent to US$3.27 per bu. at the Dec. 31 rate of 132.50 pesos to US$1.00). Subsequent modifications in the base price will be announced 15 days before coming into effect.

At the present value of the peso under current world prices, the tax is sufficiently high to price Argentine flaxseed out of the international market. Prices to producers have dropped to the support level of 1,200 pesos per 100 kilograms, and millers claim any further appreciation in the value of the peso will make it impossible for their linseed oil to compete in the world market. As of mid-January, millers were purchasing cautiously, and the crop was moving to market very slowly.

Spain Amends Vegetable Oil Regulations

Spain's National Supply Commission on January 10 amended the vegetable oil regulations established last November 12 for 1963-64.

The regulations now set prices for virgin olive oil above those paid to producers in 1962-63. Olive oil containing more than 3.0 percent acidity—and up to 10.0 percent—will be purchased by the Commission.

Spanish oil packers must apply to the National Packers Group between the 15th and 20th of each month for their following month's requirements of seed and olive sulfur oils.

The National Supply Commission will fill these requests by distributing oil in the following proportions: 2 parts refined olive sulfur oil; 1 part refined cottonseed oil; and 3 parts soybean and/or sunflower oil. Oil may be packed pure or blended, as requested by the packer, but must be properly labeled to indicate the exact proportion of contents. Packers may buy these oils from refiners at the following established prices (converted at 60 pesetas per U.S. dollar).

Item	*Pesetas per kilo*	*U.S. cents per pound*
Refined olive sulfur oil	20.75	15.69
Cottonseed oil	20.00	15.12
Soybean oil	16.30	12.32
Sunflower oil	16.30	12.32

Retail prices after packing, pure or blended, shall be 21 pesetas per liter (17.66 U.S. cents per lb.) plus the price of the container. In the 1962-63 marketing year, the maximum retail price of olive oil blended with soybean oil was 24 pesetas per liter (20.19 U.S. cents per lb.) compared with 20 pesetas per liter (16.82 U.S. cents per lb.) for bulk soybean oil. (See *World Agricultural Production and Trade—Statistical Report*, March 1963.

The Commission was reportedly authorized to establish marketing regulations. This would prevent a reduction in domestic stocks which could be compensated for in the following season.

Switzerland's Sugar Production Rises

Total sugar production in Switzerland for the 1963-64 season is at a level of about 48,000 short tons (raw value). This is an increase of 50 percent over the previous year. Switzerland's sugar factories hope to contract with farmers for a 1964 sugar beet area of 21,000 acres. Area in 1963 amounted to 17,205 acres, and in 1962, 12,000.

Indian Walnut Exports Down in 1962-63

Though Indian walnut production in 1962-63 was slightly above the preceding year's harvest, preliminary estimates indicate that exports may have actually declined. Shipments in 1962-63 are tentatively estimated at 9,800 tons, inshell basis, compared with 11,600 in 1961-62.

A sharp increase in domestic use of walnuts from 1,700 tons in 1961-62 to 3,600 in 1962-63 (reportedly as a result of a heavy demand by the Indian Army) reduced the supply available for export in 1962-63. Domestic demand in that year was apparently abnormal, since industry sources expect domestic needs to drop to about 2,700 tons this year.

The 1963-64 crop has already been harvested, and a major portion, processed and sold. It appears that the 1963

harvest was about 13,000 tons, unshelled, or nearly the same as the still-tentative estimate of 13,500 tons for the 1962 crop.

Exports of walnut kernels since September 15, 1963, and those of inshell walnuts contracted after October 5 have been subject to new marking and grading regulations. The system, popularly called "Agmark," is being used to assure consistent high quality for India's agricultural exports. It is expected to improve the competitive position of Indian products in the export market.

INDIA: WALNUT SUPPLY AND DISTRIBUTION, 1961-62 TO 1963-64 [1]
(Inshell basis)

Item	1961-62	Preliminary 1962-63	Forecast 1963-64
Supply:	*Short tons*	*Short tons*	*Short tons*
Beginning stocks	200	100	200
Production	13,200	13,500	13,000
Total supply	13,400	13,600	13,200
Distribution:			
Exports	11,600	9,800	10,300
Domestic disappearance	1,700	3,600	2,700
Ending stocks	100	200	200
Total distribution	13,400	13,600	13,200

[1] Seasons ending Sept. 31.

Italian Filbert Harvest Larger Than Earlier Estimated

The 1963 Italian filbert harvest is now estimated at 53,000 short tons, unshelled basis, an increase of 8,000 tons from earlier reports. This is above 1962 production, though slightly below the record set in 1961. Average 1956-60 production was 38,300 tons.

The 1963 Italian filbert harvest—like that of almonds—was delayed about 2 to 3 weeks owing to late flowering last spring and to extensive rains during most of the summer. Because of adverse weather during harvest, the nuts were improperly dried and the harvest was of generally inferior quality.

Italian filbert exports during the 1962-63 season totaled 30,000 tons, unshelled basis—7,900 tons shelled and 12,600 tons unshelled. Exports during the 1963-64 season may amount to 36,000 tons.

In mid-February 1964, Italian filbert prices were quoted at 23 cents per pound, f.o.b., for Avellinos in the shell and 58 cents for shelled. This is a decrease of 4 and 7 cents respectively from prices in early October 1963.

FILBERTS, UNSHELLED BASIS: ITALY, SUPPLY AND DISTRIBUTION, 1961-63 [1]

Item	1961	1962	Estimated 1963
	Short tons	*Short tons*	*Short tons*
Beginning stocks	1,000	-----	4,400
Production	55,000	44,000	53,000
Imports	-----	1,400	600
Total supply	56,000	45,400	58,000
Exports	41,800	30,000	36,000
Domestic disappearance	14,200	11,000	17,000
Ending stocks	-----	4,400	5,000
Total distribution	56,000	45,400	58,000

[1] Seasons beginning Sept. 1.

French Prune Pack Estimate Lowered

France's 1963-64 prune crop, which had been expected to exceed 15,000 short tons, has been drastically reduced by the excessive rainfall and disease outbreaks of last fall. Actual production for that crop year is set at 8,300 tons—still 12 percent above the 1958-62 average of 7,300 tons, but 37 percent under the 1962-63 production of 13,200.

The 3,200-ton carryover from the 1962-63 crop was substantially larger than usual, and may have contributed to the 40 percent reduction in imports during the first 5 months of the season—August-December—from those in the same period of 1962. On the other hand, although exports are expected to drop to about 400 tons from 900 in 1962-63 and domestic consumption will probably be slightly below last year's level, this year's carryover is forecast at only 100 tons.

Prices, as usual, are well above those of major competitors, particularly for larger prune sizes. French and U.S. prices for large and medium sizes are as follows:

France, f.o.b. producing area		U.S., f.a.s. San Francisco	
Size	*Cents per pound*	Size	*Cents per pound*
20-30	46.3	22-33	29.5
30-40	39.8	33-44	23.6
40-50	33.3	44-55	20.6
50-60	29.1	55-66	17.9
60-70	25.9		

Most French prune imports come from the United States and are in the larger size ranges. In August-December 1963, 1,395 tons out of 1,404 (99 percent) of French prune imports were from the United States. During the same period in 1962, the share supplied by the United States was also 99 percent (2,372 tons out of 2,388). For the full 1962-63 marketing year, 92 percent of total French prune exports were from the United States compared with 89 percent in 1961-62. All of the imports from the United States, however, were in the form of unprocessed prunes in bulk, since France prohibits the importation of processed U.S. prunes.

DRIED PRUNES: FRANCE, SUPPLY AND DISTRIBUTION, MARKETING SEASONS 1962-63 AND 1963-64 [1]

Item	1962-63	Forecast 1963-64
Supply:	*Short tons*	*Short tons*
Beginning stocks	200	3,200
Production	13,200	8,300
Imports	4,800	2,200
Total supply	18,200	13,700
Distribution:		
Exports	900	400
Domestic disappearance	14,100	13,200
Ending stocks	3,200	100
Total distribution	18,200	13,700

[1] Seasons beginning August 31.

1963 Portuguese Almond Harvest Reported Small

The 1963 Portuguese almond harvest is estimated at 1,200 short tons, equaling the previous low set in 1960. The 1963 harvest was considerably below the 1962 and 1961 crops of 4,300 and 5,800 tons, respectively, and also well below average 1956-60 production of 2,700.

Portugal's almond exports during the 1962-63 season totaled 3,900 short tons, shelled basis. The United Kingdom, West Germany, and Belgium-Luxembourg were the largest markets. Shipments for the first 3 months (September-November) of the 1963-64 season reached over 800 tons; for the full season, they could total 1,900.

ALMONDS, SHELLED BASIS: PORTUGAL, SUPPLY AND DISTRIBUTION, 1961-63 [1]

Item	1961	1962	Estimated 1963
	Short tons	*Short tons*	*Short tons*
Beginning stocks	400	1,000	1,100
Production	5,800	4,300	1,200
Total supply	6,200	5,300	2,300
Exports	4,900	3,900	1,900
Domestic disappearance	300	300	300
Ending stocks	1,000	1,100	100
Total distribution	6,200	5,300	2,300

[1] Seasons ending August 31.

New Zealand Wool Production Down; Prices Up

The New Zealand Wool Commission's latest estimate of 1963-64 wool production (greasy basis) is 610 million pounds—well below early season estimates of up to 630 million and the 1962-63 clip of 620.4 million. Primary reason for the reduction is adverse weather, which is resulting in lighter fleece weights.

The Wool Commission has no stocks. Private and commercial stocks are believed to be relatively low because of strong overseas demand and attractive prices, which many had feared would be only temporary market conditions.

New Zealand exports of wool during the 6 months that ended January 1, 1964, were about 4 percent greater than in the same period a year earlier. Shipments to the United States declined slightly, but those to Japan nearly doubled, and exports to the United Kingdom and West Germany showed further notable increases.

Prices of New Zealand wool received by growers this season are averaging about 65 cents per pound and about 16 cents above those for the same period of 1962-63. Most industry observers expect prices to hold at least the present levels throughout the remainder of this season.

Exports of Most Animal Products Higher

U.S. exports of animal fats, red meat, variety meats, casings, hides, and mohair were all higher in 1963 than in the previous year.

Shipments of tallow and greases totaled nearly 1.9 billion pounds, up 17 percent from 1962. Larger exports of tallow under P.L. 480 and of inedible greases accounted for most of the gain. Lard exports, at 538 million pounds, were up 27 percent from the previous year, mainly because of increased purchases by the United Kingdom, which took 81 percent of the total.

Exports of red meat rose nearly 75 percent in 1963, with pork accounting for virtually all of the gain. Canada took about half of the total pork exports but Western Europe and Japan bought heavily during the last 3 months because of pork shortages. Larger shipments to traditional markets in Western Europe helped increase variety meat exports by more than one-fourth.

Shipments of all types of casings increased 13 percent from the 1962 level. Prices were generally lower, making natural casings more competitive with synthetic casings.

Mohair exports rose 17 percent as a result of the continued fashion popularity of this fiber in Europe and Japan.

Shipments of cattle hides reached a record of nearly 8 million pieces. Low prices in the United States and reduced Argentine exports contributed to the rise. Shipments of both calf and kip skins were below those in 1962.

U.S. EXPORTS OF LIVESTOCK PRODUCTS DECEMBER 1963, WITH COMPARISONS

Item	December 1962	December 1963	January-December 1962	January-December 1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	15,931	32,740	422,089	537,674
Inedible tallow and greases [1]	115,003	158,665	1,604,491	1,879,027
Edible tallow & greases [2]	1,034	646	12,365	10,494
Meat:				
Beef and veal	2,621	2,443	27,112	27,319
Pork	6,682	16,530	63,680	138,126
Lamb and mutton	105	167	2,189	1,012
Sausage:				
Except canned	104	146	1,485	1,708
Canned	110	52	892	872
Baby food, canned	174	95	1,146	671
Other canned meats	128	131	1,254	1,500
Total red meats	9,924	19,564	97,758	171,208
Variety meats	10,434	12,828	125,100	158,993
Sausage casings:				
Hog	1,150	822	12,428	14,491
Other natural	250	308	5,769	6,530
Mohair	718	720	12,540	14,200
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	530	659	7,119	7,971
Calf	115	168	1,712	1,604
Kip	10	35	343	156
Sheep and lamb	166	281	2,179	2,881

[1] Includes inedible tallow, greases, fats and oils, oleic acid, or red oil, and stearic acid. [2] Includes edible tallow, oleo oil and stearin, oleo stock, and shortenings, animal fat, excluding lard.

Australian Meat Moves to the U.S.

Three ships left Australia during the first week of February with 6,448,960 pounds of beef and 1,003,520 pounds of mutton for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Eastern and Gulf ports:			*Pounds*
Nottingham	Everglades	Mar. 3	Beef	763,840
Feb. 2	Charleston	5	Beef	418,880
			Mutton	168,000
	Norfolk	7	Beef	360,640
			Mutton	67,200
	Philadelphia	8	Beef	676,480
			Mutton	235,200
	Boston	9	Beef	445,760
			Mutton	33,600
		13	Beef	2,300,480
			Mutton	224,000
	Western ports:			
Mariposa	San Francisco	Feb. 23	Beef	38,080
Feb. 6	Los Angeles	28	Beef	246,400
Sonoma	Los Angeles	27	Beef	663,040
Feb. 8			Mutton	163,520
	San Francisco	Mar. 2	Beef	224,000
			Mutton	112,000
	Seattle	6	Beef	120,960
	Portland	13	Beef	190,400

[1] Cities listed indicate location of purchaser and usually the port of arrival, but meat may be diverted to other areas for sale.

Greece Suspends Import Duties on Frozen Meats

The Greek Government has authorized, for the seventh time, suspension of import duties on frozen beef, mutton, and goat meat, through December 31, 1964.

This reflects the government's special interest in facilitating importations of frozen meats—staple items in the diet of families in the low-income bracket.

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

To change your address or stop mailing, tear off this sheet and send to Foreign Agricultural Service, U.S. Dept. of Agriculture, Rm. 5918, Washington, D.C. 20250.

Uruguay Encourages Export of Manufactured Wool

The Uruguyan Government announced on December 26, 1963, a new law reducing export taxes on semimanufactures and manufactures of wool. Purpose of this law is to encourage processing and manufacture of wool products in Uruguay and to discourage exports of raw, greasy wool.

In practice, the more advanced the form of manufacturing the more the tax retention. Skirted wools will benefit from a 5-percent reduction and scoured wool, from a 7-percent cut. Manufacturers of tops will be reimbursed the equivalent of 12 percent, provided they do not owe back payments to social security agencies. In such cases, 50 percent of the reimbursements will apply to back payments.

The declared f.o.b. value of wool cloth and clothing will be reduced 22 percent and the retention saved, refunded to manufacturers provided they owe no back social security payments. Exports of wool yarn, waste, and byproducts from combing, blousing, yarning, and weaving are exempted from all retentions.

Also, the Bank of the Republic can finance wool purchases to assure normal operation of the textile industry.

U.S. Poultry Sales to Japan

(Continued from Page 7)

ly adversely affect sales of U.S. poultry in relation to potential import levels. It is difficult to assess how serious this will be because of lack of statistics regarding Japan's own poultry-meat production, the actual number of true meat-type broilers produced, and other marketing and price information needed for a proper evaluation. Some trade sources estimate that imports of higher quality U.S. poultry could be sharply reduced, but that imports of the lower grade may increase somewhat.

The first quarter of 1964 will give a clearer picture of the future of the Japanese market. But it is not too optimistic to assume that, if unreasonable barriers are not erected against access, the U.S. poultry producer will continue to have a market in Japan. Per capita incomes are rising. The inclusion of livestock products in the daily diet is gaining momentum, and consumer demand is growing stronger, as evidenced by all stocks of poultry being purchased at prices far in excess of those paid by the U.S. consumer.

DAVID R. STROBEL
Assistant Agricultural Attaché, Tokyo

WORLD CROPS AND MARKETS INDEX

(Other commodity articles listed on page 2)

Cotton
10 Egyptian Cotton Crop Somewhat Down
11 Brazilian Cotton Production Below Last Year

Dairy and Poultry Products
11 French Increase Butter Exports
11 U.K. Increases Some Butter Import Quotas

Fats, Oilseeds, and Oils
12 U.S. Fish Oil Exports Doubled
12 U.S. Copra and Coconut Oil Imports Decline
12 West Germany's Fats and Oils Imports Increase
13 Argentine Flaxseed Output and Export Tax
13 Spain Amends Vegetable Oil Regulations

Fruits, Vegetables, and Nuts
13 Indian Walnut Exports Down in 1962-63
14 Italian Filbert Harvest Larger Than Earlier Estimated
14 French Prune Pack Estimate Lowered
14 1963 Portuguese Almond Harvest Reported Small

Grains, Feeds, Pulses, and Seeds
11 Brazil May Import Rice in 1964
11 Canadian Wheat Producers Receive Final Payments
11 Japan Releases Pulse Fund Allocation

Livestock and Meat Products
15 New Zealand Wool Production Down; Prices Up
15 Exports of Most Animal Products Higher
15 Australian Meat Moves to the U.S.
15 Greece Suspends Import Duties on Frozen Meats
16 Uruguay Encourages Export of Manufactured Wool

Sugar, Fibers, and Tropical Products
13 Switzerland's Sugar Production Rises

Tobacco
10 U.S. Burley Exports Up 10.9 Percent
10 Burma's Cigarette Output May Rise in 1964
10 Italian Tobacco Manufactures Drop Slightly
10 Guatemala Expects Larger 1964 Tobacco Harvest
10 Indian Expects Smaller 1964 Tobacco Harvest